

ASSIGNMENT

THIS ASSIGNMENT (this "Assignment") is entered into as of October 29, 2015, by KMH SYSTEMS, INC. ("Assignor"), in favor of AXIS CAPITAL, INC. (together with its successors and assigns, "AXIS CAPITAL, INC."), a NE company.

Recitals

Assignor and AXIS CAPITAL, INC. are parties to that certain Master Discounting Agreement dated as of December 29th, 2014 (the "Master Agreement"), pursuant to which Assignor's right, title and interest in lease agreements, equipment finance agreements, secured loan agreements ("Contracts") entered into from time to time by Assignor with Assignor's customers and rights to the personal property acquired by or leased by such customers pursuant to Leases ("Collateral") may be assigned and conveyed to AXIS CAPITAL, INC. pursuant to the terms and conditions of the Master Agreement and Assignments entered into pursuant thereto such as this Assignment.

Assignor desires to assign to AXIS CAPITAL, INC. and AXIS CAPITAL, INC. desires to acquire from Assignor the Payments, as hereinafter defined, due from the Lessee under that certain Lease Agreement, Contract # _____ ("Assigned Contract") between Assignor as Lessor and Valley Packaging Corp, 275 Industrial Boulevard, Pulaski, TN. 38478 as Renter, Customer or Lessee ("Obligor"). The Assigned Contract is a True Lease as defined in the Master Agreement but Assignor is not making an absolute assignment of Assignor's right, title and interest therein but only a collateral assignment of such right, title and interest as hereinafter provided. Assignor hereby sells, assigns and transfers to AXIS Capital, Inc. the Payments and assigns its other rights in the Assigned Contract pursuant to the following.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Master Agreement.
2. Assignment and Assumption. Effective as of the date hereof, and in accordance with the terms and conditions of the Master Agreement (which are incorporated herein by this reference) and this Assignment, Assignor hereby irrevocably and unconditionally assigns, sells and transfers to AXIS CAPITAL, INC. and its successors and assigns 48 payments of monthly Lease Payments as defined in the Assigned Contract each in the amount of \$3,000.00 ("Payments") commencing with the Payment due and owing by the Obligor on _____, and Assignor's right to receive the same, as and when such Payments are payable by the Obligor under the terms of the Assigned Contract, together with any and all damages, late charges, indemnification payments, insurance payments, condemnation awards, payments arising out of the Loss or Damage of the Equipment [the foregoing could change with each deal] as defined in the Assigned Contract, proceeds arising out of the sale or other disposition of the Equipment, interest and reimbursements and any other sum payable or realized under the terms of the Assigned Contract arising out of (a) the loss or destruction of the Equipment, or (b) the late payment or non-payment of the Payments or other breach of the Assigned Contract by Lessee ("Assigned Interest"), Assignor acknowledges that AXIS CAPITAL, INC. has not assumed and shall not be bound to perform any duty or obligation of Assignor under the Assigned Contract which Assignor shall be and remain responsible for and liable to perform. Assignor acknowledges and agrees that its rights in and to the Assigned Contract and the Equipment are subject and subordinate in all respects to those of AXIS CAPITAL, INC.
3. Grant of Security Interest. To secure the obligations of (a) the Obligor under the Assigned Contract, including, without limitation its obligation to make the Payments and other amounts specified as part of the Assigned Interest, and (b) the obligations of Assignor under this Assignment, Assignor hereby: collaterally assigns and hereby grants in favor of AXIS CAPITAL, INC. a first priority perfected lien and security interest in (i) Assignor's entire right, title, interest and remedies in and to the Assigned Contract (including all schedules, riders, exhibits, addenda, amendments, supplements to the Assigned Contract) and any other related documents including, without limitation, guarantees and other credit enhancements; and (ii) the Equipment as defined in the Assigned Contract, and any proceeds of the foregoing. By its execution below, AXIS CAPITAL, INC. hereby purchases and assumes the Payments and the Assigned Interest.
4. Rights of AXIS CAPITAL, INC. Until such time as AXIS CAPITAL, INC. has received all of the Payments in full together with all payments specified and in and constituting the Assigned Interest in the event of the late payment or non-payment of the Payments, AXIS CAPITAL, INC. shall have and enjoy (a) all of the rights of a secured party under the Uniform Commercial Code and (b) the rights of Assignor under the Assigned Contract and Assignor shall exercise any such rights only with the prior written consent of AXIS CAPITAL, INC.. Without limiting the generality of the foregoing, AXIS CAPITAL, INC. shall have the right to (i) collect, compromise and release any and all Payments and other monies payable under the Assigned Contract, (ii) deal with the Assigned Contract, any related documents and the Equipment in such a manner as Assignor could have in the absence of this Assignment and at such times as AXIS CAPITAL, INC. shall, in its sole discretion deem advisable, (iii) and take all legal or other proceedings which Assignor could have taken with respect to the Assigned Contract and related documents, including, without limitation the enforcement of rights and remedies under the Assigned Contract following an event of default thereunder. No exercise of the foregoing rights by AXIS CAPITAL, INC. shall relieve Assignor of its obligation to perform its obligations under the Assigned Contract or its indemnification obligations to AXIS CAPITAL, INC. set forth below and in the Master Agreement. Assignor shall authorize and irrevocably direct the Lessee under the Assigned Contract to make all Payments and other sums due from time to time under the Assigned Contract to or at the direction of AXIS CAPITAL, INC..
5. Indemnification by Assignor. In addition to any other indemnification obligation of Assignor, Assignor shall indemnify, defend and hold AXIS CAPITAL, INC. harmless against any loss, liability, damages, cost or expense (including, without limitation, reasonable attorneys' fees) incurred by AXIS CAPITAL, INC. by reason of or arising out of any breach by Assignor of its obligations set forth in this Assignment or the Assigned Contract or any related document.
6. Release of Lien. If and only if: (a) Obligor has indefeasibly paid to AXIS CAPITAL, INC. all of the Payments in accordance with the provisions of the Assigned Contract, and (b) the Obligor is not then in default or in breach of any of its obligations under the Assigned Contract, AXIS CAPITAL, INC. shall at the request of Assignor release its lien on the Assigned Contract, any related document and the Equipment and execute such documents as may be reasonably requested by Assignor to evidence such release.

7. Transfer. To facilitate the transfer provided by this Assignment, AXIS CAPITAL, INC. shall have the right to endorse in its name or in the name of Assignor, and to deposit in any AXIS CAPITAL, INC. account, all checks and drafts for payment made by Lessee or any guarantor under the Assigned Contract or any related guaranty plus applicable taxes and fees. Assignor agrees to take such further action at its expense to effectuate the assignment of its right to receive the Payments and its interest in the Assigned Contract as may be requested by AXIS CAPITAL, INC. from time to time.. Assignor hereby authorizes AXIS CAPITAL, INC. to execute and file all financing statements, title applications, registrations and any and all other documents deemed by AXIS CAPITAL, INC. as necessary or convenient to accomplish or evidence the transfer of the Assigned Interest set forth herein and perfect the security interest granted pursuant to Section 3 above and all instruments necessary to reflect the assignment of any existing financing statements or other documents covering the related Collateral in favor of Assignor. Assignor agrees that a photocopy of this Assignment is sufficient as a financing statement. AXIS CAPITAL, INC. is hereby granted a power of attorney to sign Assignor's name on any financing statements or other documents referenced above as Assignor's true and lawful attorney. The foregoing power of attorney is coupled with an interest and is irrevocable.

8. Successors and Assigns. This Assignment shall inure to the benefit of AXIS CAPITAL, INC. and its successors and assigns.

IN WITNESS WHEREOF, Assignor has executed this Assignment by its duly authorized officer as of the date first above written.

AXIS CAPITAL, INC. LLC

By: _____

Name: _____

Title: _____

James Wilson
James Wilson
Accounting Manager

KMH SYSTEMS, INC.

By: _____

Name: _____

Title: _____

Michael Guenin

President